

**PIUTE COUNTY**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2005**

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*Phone 896-6488*

## INDEPENDENT AUDITOR'S REPORT

The Honorable Board of County Commissioners  
Piute County  
Junction, Utah 84740

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Piute County as of and for the year ended December 31, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Piute County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

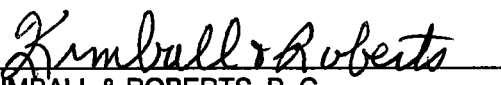
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Piute County as of December 31, 2005, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2006, on our consideration of Piute County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, condition assessment of the County's infrastructure and budgetary comparison information on pages 6 through 14, 39 and 40 through 45 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The Honorable Board of County Commissioners  
Piute County  
Page -2-

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Piute County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements of Piute County. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

  
KIMBALL & ROBERTS, P. C.  
Certified Public Accountants

June 6 2006  
Richfield, Utah

## PIUTE COUNTY MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion of Piute County's financial performance provides an overview of the County's financial activities for the year ending December 31, 2005. This report is in conjunction with the County's financial statements.

**All amounts, unless otherwise indicated, are expressed in thousands of dollars.**

The purpose of the County is to provide general services to its residents which includes general government, public safety, public health, highways and public improvements, park and recreation, and economic development. Additional services provided to residents in the unincorporated areas include road maintenance and fire control.

### Financial Highlights

- \* The assets of Piute County exceeded its liabilities as of the close of the most recent year by \$4,173 (*net assets*). Of this amount, \$362 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- \* The government's total net assets increased by 87. The revenues did not meet or exceed the adopted budgeted amounts, and expenditures were less than the adopted budgeted amounts.
- \* At the close of the current year, the Piute County governmental funds reported combined ending fund balances of \$730, an increase of \$146 in comparison with the prior year. Approximately 50 percent of this total amount, \$362 is available for spending at the government's discretion (*unreserved fund balance*).
- \* At the end of the current year, unreserved fund balance for the general fund was \$269, or 29 percent of total general fund expenditures.
- \* Piute County's total debt increased by \$22 during the current year.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Piute County's basic financial statements. Piute County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of Piute County's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of Piute County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Piute County is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Piute County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of Piute County include general government, public safety, public health, highways and public improvements, parks and recreation, and economic development. There are no business-type activities in the financial statements of Piute County.

The government-wide financial statements include not only Piute County itself (*known as the primary government*) but also one legally separate special service district. Piute County is financially accountable for the District financial information for this component unit is reported separately from the financial information presented for the primary government itself.

Refer to the table of contents for the location of the government-wide financial statements.

### **Fund Financial Statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Piute County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Piute County can be divided into two categories: governmental funds, and fiduciary funds.

### **Governmental Funds**

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statement, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balance of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditure, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Piute County maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General fund, B-Road fund and Building Authority Fund, all of which are considered to be major funds.

Piute County adopts an annual appropriated budget for all its governmental funds. Budgetary comparison statements have been provided for the general fund and major special revenue funds to demonstrate compliance with those budgets.

Refer to the table of contents for the location of the basic governmental fund financial statements.

### **Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support Piute County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Refer to the table of contents for the location of the basic fiduciary fund financial statements.

### **Notes To The Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are part of the basic financial statements.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Piute County.

### **Government-Wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Piute County, assets exceeded liabilities by \$4,173 at the close of the most recent fiscal year.

By far the largest portion of Piute County's net assets (83 percent) reflects its investment in capital assets (e.g. land, buildings, machinery, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. Piute County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.



**Governmental Activities:****Piute County's Net Assets**

	<u>2005</u>	<u>2004</u>	<u>Difference</u>
Current and Other Assets	796	586	210
Capital Assets	<u>4,155</u>	<u>4,280</u>	<u>(125)</u>
Total Assets	<u>4,951</u>	<u>4,866</u>	<u>85</u>
Long-Term Liabilities Outstanding	712	692	20
Other Liabilities	<u>66</u>	<u>88</u>	<u>(22)</u>
Total Liabilities	<u>778</u>	<u>780</u>	<u>(2)</u>
Net Assets:			
Invested in Capital Assets - Net of Related Debt	3,444	3,502	(58)
Restricted	367	423	(56)
Unrestricted	<u>362</u>	<u>161</u>	<u>201</u>
Total Net Assets	<u>4,173</u>	<u>4,086</u>	<u>87</u>

A portion of Piute County's net assets (9 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$362) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the year, Piute County is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental activities.

Governmental activities increased Piute County's net assets by \$87. Key elements of this increase follows:

**Piute County's Changes in Net Assets**

	<u>2005</u>	<u>2004</u>	<u>Difference</u>
<b>Revenues:</b>			
Program Revenues:			
Charges For Services	309	361	(52)
Operating Grants and Contributions	615	694	(79)
General Revenues:			
Property Taxes	289	197	92
Other Taxes	139	134	5
Unrestricted Investment Earnings	19	10	9
Other	<u>162</u>	<u>113</u>	<u>49</u>
Total Revenues	<u>1,533</u>	<u>1,509</u>	<u>24</u>

**Piute County's Changes In Net Assets (Continued)**

	<u>2005</u>	<u>2004</u>	<u>Difference</u>
<b>Expenses:</b>			
General Government	547	527	20
Public Safety	245	240	5
Public Health	65	62	3
Highways and Public Improvements	476	490	(14)
Economic Development	75	83	(8)
Culture and Recreation	17	26	(9)
Interest on Long-Term Debt	21	22	(1)
	<hr/>	<hr/>	<hr/>
Total Expenses	<u>1,446</u>	<u>1,450</u>	<u>(4)</u>
 Increase in Net Assets	 87	 59	 28
 Net Assets - Beginning	 <u>4,086</u>	 <u>4,027</u>	 <u>59</u>
 Net Assets - End	 <u>4,173</u>	 <u>4,086</u>	 <u>87</u>

**Business-Type Activities**

There were no business-type activities.

**Financial Analysis of the Government's Funds**

As noted earlier, Piute County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

## Governmental Funds

The focus of Piute County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the year.

At the end of the year, Piute County's governmental funds reported combined ending fund balances of \$730, an increase of \$146 in comparison with the prior year. Approximately 50 percent of this amount \$362 constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed: 1) to highways and public improvements (\$322) and to Bond Reserves (\$44).

The general fund is the chief operating fund of Piute County. At the end of the current year, unreserved fund balance of the general fund was \$270, while total fund balance reached \$270. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures.

## General Fund Budgetary Highlights

During the year the actual revenues were less than budgeted revenues by \$160 and actual expenditures were less than budgeted expenditures by \$324.

## Capital Asset and Debt Administration

### Capital Assets

Piute County's investment in capital assets for its governmental activities as of December 31, 2005, amounts to \$4,155 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, vehicles, and infrastructure.

Also, the County has elected to use the modified approach to account for its infrastructure assets, such as roads and bridges. That information can be found in the required supplemental information following the notes to the financial statements.

### Piute County's Capital Assets (net of depreciation)

	<u>2005</u>	<u>2004</u>	<u>Difference</u>
Land	579	579	0
Buildings	2,514	2,592	(78)
Equipment	232	272	(40)
Vehicles	104	68	36
Infrastructure	<u>726</u>	<u>726</u>	<u>0</u>
Total	<u>4,155</u>	<u>4,237</u>	<u>(82)</u>

Additional information on Piute County's capital assets can be found in the notes to the financial statements.

## Long -Term Debt

At the end of the current year, Piute County had total bonded debt outstanding of \$691. The debt represents bonds secured solely by specified revenue sources (i.e. revenue bonds).

### Piute County's Outstanding Debt

	<u>2005</u>	<u>2004</u>	<u>Difference</u>
1998 Revenue Bonds	691	713	(22)
	<u>          </u>	<u>          </u>	<u>          </u>
Total	<u>691</u>	<u>713</u>	<u>(22)</u>

State statutes limit the amount of general obligation debt a governmental entity may issue to 2 percent of its total fair market value of taxable property in the County. The current debt limitation for Piute County has no general obligation debt outstanding. General Obligations Bonds are debts that are secured by taxing real and personal property for the payments. Revenue bonds are debts secured by a determined and allocated revenue source outside of property taxes.

Additional information on Piute County's long-term debt can be found in the notes of the financial statements.

### Economic Factors and Next Year's Budgets and Rates

- \* The unemployment rate for Piute County is 4.0. This is lower than the State's average unemployment rate of 4.3 percent and lower than the national average rate of 5.1 percent which is consistent with prior years because of our rural nature.

These factors were considered in preparing Piute County's budget for 2006 year.

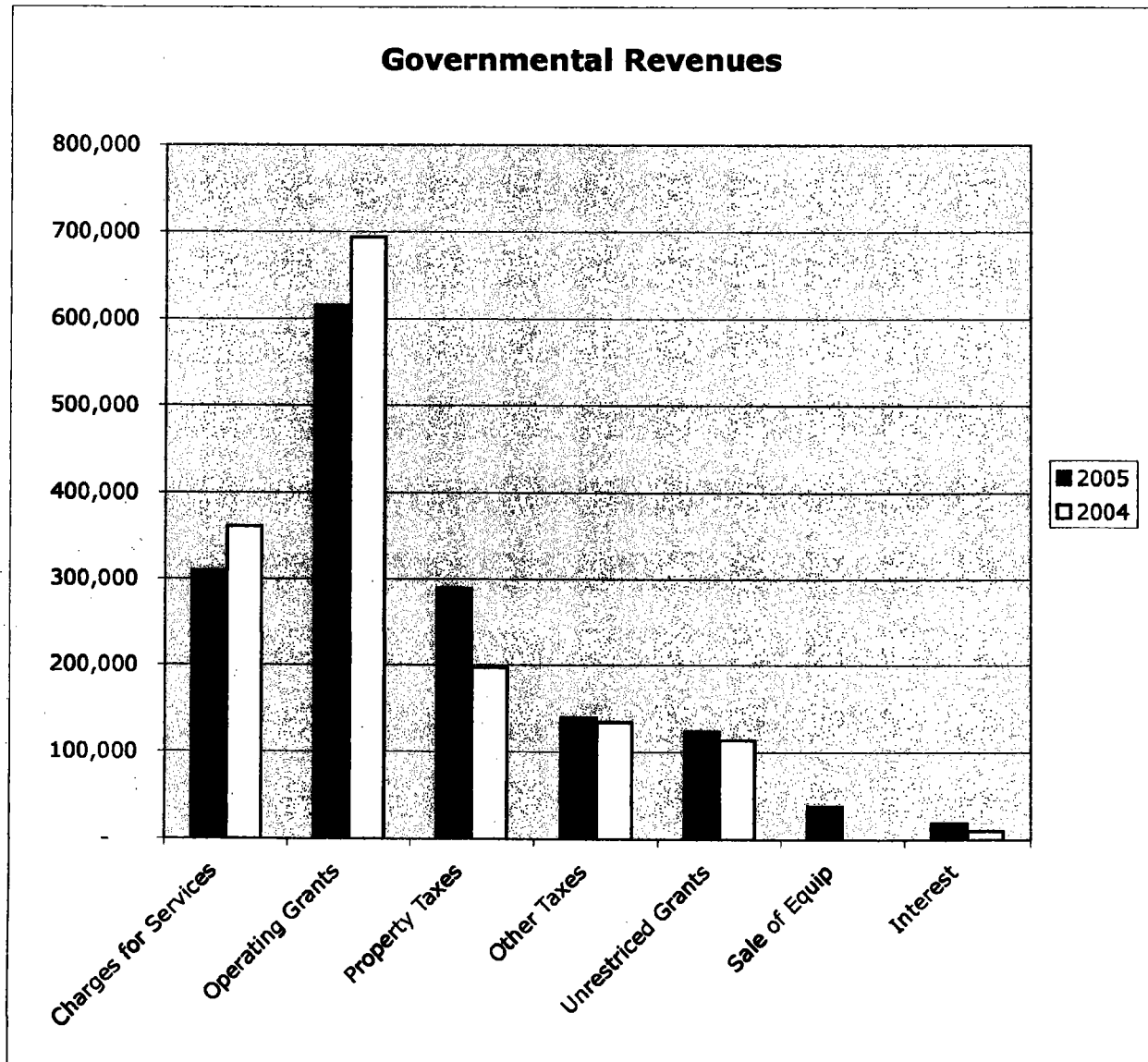
Other revenue sources have remained stable.

### Request for Information

This financial report is designed to provide a general overview of Piute County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Piute County Clerk/Auditor, 550 North Main, Junction, Utah, 84740.

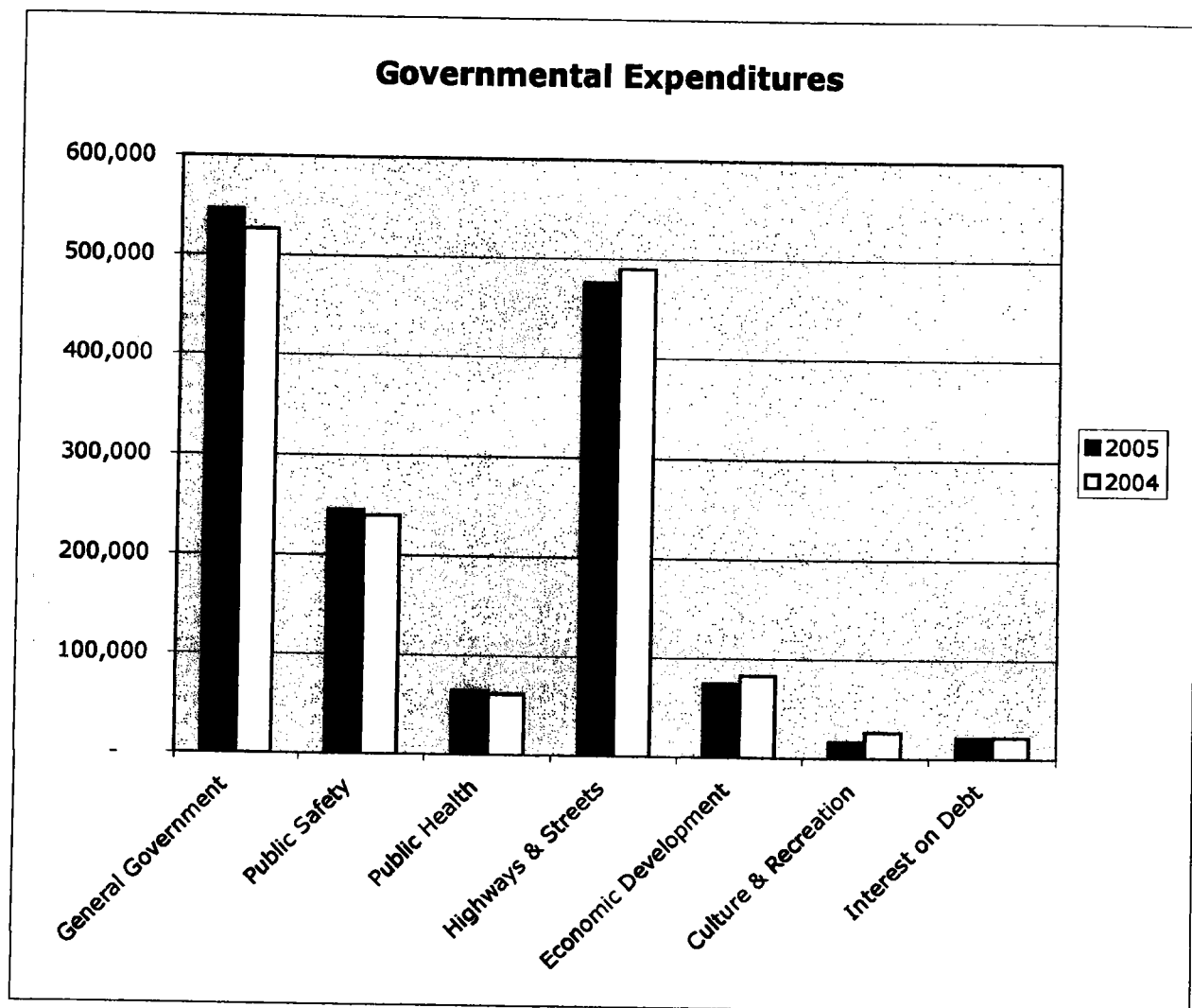
**Piute County  
Governmental Revenues  
For The Years Ending December 31, 2005 and 2004**

	2005	2004
Charges for Services	309,455	360,999
Operating Grants	615,317	693,782
Property Taxes	288,980	196,618
Other Taxes	139,407	134,262
Unrestricted Grants	123,659	113,302
Sale of Equip	37,500	-
Interest	18,670	10,185
<b>Total Revenues</b>	<b>1,532,988</b>	<b>1,509,148</b>



**Piute County  
Governmental Expenditures  
For The Years Ending December 31, 2005 and 2004**

	2005	2004
General Government	546,460	526,693
Public Safety	244,952	240,226
Public Health	64,967	61,711
Highways & Streets	476,259	489,925
Economic Development	74,763	83,121
Culture & Recreation	16,902	26,636
Interest on Debt	21,318	22,008
<b>Total Expenditures</b>	<b>1,445,621</b>	<b>1,450,320</b>



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# **BASIC FINANCIAL STATEMENTS**

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**PIUTE COUNTY  
STATEMENT OF NET ASSETS**

**December 31, 2005**

	<u>Primary Government Governmental Activities</u>	<u>Component Units</u>
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	690,747	256,143
Due From Other Government Units	<u>58,975</u>	<u>-</u>
Total Current Assets	<u>749,722</u>	<u>256,143</u>
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	45,900	6,248
Capital Assets (Net of Accumulated Depreciation):		
Land	579,000	2,000
Buildings	2,514,000	-
Equipment	232,640	8,050
Vehicles	104,400	31,543
Infrastructure	<u>725,250</u>	<u>-</u>
Total Noncurrent Assets	<u>4,201,190</u>	<u>47,841</u>
TOTAL ASSETS	<u><u>4,950,912</u></u>	<u><u>303,984</u></u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	65,994	-
Accrued Landfill Closure Costs	-	750
Accrued Interest Payable	19,000	-
Revenue Bonds Payable - Due Within One Year	<u>23,000</u>	<u>-</u>
Total Current Liabilities	<u>107,994</u>	<u>750</u>
Noncurrent Liabilities:		
Revenue Bonds Payable - More Than One Year	668,000	-
Compensated Absences	<u>1,740</u>	<u>-</u>
Total Noncurrent Liabilities	<u>669,740</u>	<u>-</u>
TOTAL LIABILITIES	<u>777,734</u>	<u>750</u>
<b>NET ASSETS</b>		
Investment in Capital Assets, Net of Debt	3,443,550	41,593
Restricted For:		
Class B Road	321,925	-
Bond Reserves	45,900	-
Landfill	-	6,248
Unrestricted	<u>361,803</u>	<u>255,393</u>
TOTAL NET ASSETS	<u>4,173,178</u>	<u>303,234</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>4,950,912</u></u>	<u><u>303,984</u></u>

The notes to the financial statements are an integral part of this statement.

**PIUTE COUNTY  
STATEMENT OF ACTIVITIES**

For The Year Ended December 31, 2005

Function/Programs Primary Government: Governmental Activities:	Program Revenues			Net (Expense) Revenues Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions	Component Units
General Government	546,460	164,186	15,867	-	-
Public Safety	244,952	17,008	128,685	-	-
Public Health	64,967	30,959	4,042	-	-
Highways and Public Improvements	476,259	6,633	371,723	-	-
Economic Development	74,763	90,669	95,000	-	-
Culture and Recreation	16,902	-	-	-	-
Interest on Long-Term Debt	21,318	-	-	-	-
<b>Total Primary Government</b>	<b>1,445,621</b>	<b>309,455</b>	<b>615,317</b>	<b>-</b>	<b>-</b>
Component Units:					
Governmental Type:					
Landfill District	219,647	35,750	272,744	-	88,847
<b>Total Component Units</b>	<b>219,647</b>	<b>35,750</b>	<b>272,744</b>	<b>-</b>	<b>88,847</b>
General Revenues:					
Property Taxes				288,980	-
Fee-In-Lieu of Property Taxes				30,397	-
Sales Taxes				97,380	-
Transient Room Tax				11,630	-
Grants and Contributions Not Restricted to Specific Programs				123,659	-
Gain on Sale of Equipment				37,500	-
Unrestricted Investment Earnings				18,670	8,809
<b>Total General Revenues and Transfers</b>				<b>608,216</b>	<b>8,809</b>
Change in Net Assets				87,367	97,656
<b>Net Assets - Beginning</b>				<b>4,085,811</b>	<b>205,578</b>
<b>Net Assets - Ending</b>				<b>4,173,178</b>	<b>303,234</b>

The notes to the financial statements are an integral part of this statement.

**PIUTE COUNTY  
BALANCE SHEET  
GOVERNMENTAL FUNDS**

**For The Year Ended December 31, 2005**

	<u>General Fund</u>	<u>Class B Roads Fund</u>	<u>Building Authority Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	316,610	282,207	137,830	736,647
Due From Other Government Units	<u>7,482</u>	<u>51,493</u>	<u>-</u>	<u>58,975</u>
<b>TOTAL ASSETS</b>	<u><u>324,092</u></u>	<u><u>333,700</u></u>	<u><u>137,830</u></u>	<u><u>795,622</u></u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	<u>54,219</u>	<u>11,775</u>	<u>-</u>	<u>65,994</u>
<b>Total Liabilities</b>	<u><u>54,219</u></u>	<u><u>11,775</u></u>	<u><u>-</u></u>	<u><u>65,994</u></u>
<b>Fund Balances:</b>				
Reserved For:				
Class "B" Road	-	321,925	-	321,925
Bond Reserves	-	-	45,900	45,900
Unreserved, Reported In:				
General Fund	269,873	-	-	269,873
Special Revenue Funds	<u>-</u>	<u>-</u>	<u>91,930</u>	<u>91,930</u>
<b>Total Fund Balance</b>	<u><u>269,873</u></u>	<u><u>321,925</u></u>	<u><u>137,830</u></u>	<u><u>729,628</u></u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>324,092</u></u>	<u><u>333,700</u></u>	<u><u>137,830</u></u>	<u><u>795,622</u></u>

The notes to the financial statements are an integral part of this statement.

**PIUTE COUNTY**  
**BALANCE SHEET RECONCILIATION TO STATEMENT OF NET ASSETS**

**December 31, 2005**

Total Fund Balances - Governmental Fund Types	729,628
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Land	579,000	
Buildings	2,514,000	
Equipment	232,640	
Vehicles	104,400	
Infrastructure	<u>725,250</u>	
 Total		 4,155,290

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:

Revenue Bonds Payable	(691,000)	
Compensated Absences	(1,740)	
Interest Payable	<u>(19,000)</u>	
 Total		 <u>(711,740)</u>

Net Assets of Government Activities	<u><u>4,173,178</u></u>
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**PIUTE COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**

**For The Year Ended December 31, 2005**

	General Fund	Class B Roads Fund	Building Authority Fund	Total Governmental Funds
<b>Revenues:</b>				
Property Tax	288,980	-	-	288,980
Fee-In-Lieu of Property Tax	30,397	-	-	30,397
Sales Tax	97,380	-	-	97,380
Transient Room Tax	11,630	-	-	11,630
Licenses and Permits	3,534	-	-	3,534
Intergovernmental	365,432	344,503	60,000	769,935
Charges for Services	100,371	-	-	100,371
Fines and Forfeitures	63,985	-	-	63,985
Interest	7,030	10,423	1,217	18,670
Miscellaneous	135,291	6,633	57,382	199,306
<b>Total Revenues</b>	<u>1,104,030</u>	<u>361,559</u>	<u>118,599</u>	<u>1,584,188</u>
<b>Expenditures:</b>				
Current:				
General Government	437,405	-	35,205	472,610
Public Safety	216,982	-	-	216,982
Public Health	58,967	-	-	58,967
Highways and Public Improvements	14,600	400,159	-	414,759
Culture and Recreation	16,902	-	-	16,902
Economic Development	74,763	-	-	74,763
Capital Outlay	120,000	19,000	-	139,000
Debt Service:				
Principal	-	-	22,000	22,000
Interest	-	-	22,518	22,518
<b>Total Expenditures</b>	<u>939,619</u>	<u>419,159</u>	<u>79,723</u>	<u>1,438,501</u>
<b>Net Change in Fund Balance</b>	164,411	(57,600)	38,876	145,687
<b>Fund Balance - Beginning</b>	<u>105,462</u>	<u>379,525</u>	<u>98,954</u>	<u>583,941</u>
<b>Fund Balance - Ending</b>	<u><u>269,873</u></u>	<u><u>321,925</u></u>	<u><u>137,830</u></u>	<u><u>729,628</u></u>

The notes to the financial statements are an integral part of this statement.

**PIUTE COUNTY**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

**For The Year Ended December 31, 2005**

Amounts reported for governmental activities in the statement of activities are different because:

Net Changes in Fund Balances - Total Governmental Funds	145,687
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Depreciation Expense	(169,220)	
Capital Outlay	<u>139,000</u>	
		(30,220)
Total		

The net effect of various miscellaneous transactions involving capital assets (i.e., sales and trade-ins) is an increase net assets:

Miscellaneous Transactions	(51,200)
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The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Accrued Interest Expense	1,200	
Bond Principal Payments	22,000	
Compensated Absences	<u>(100)</u>	
		<u>23,100</u>
Total		

Changes In Net Assets of Governmental Activities	<u><u>87,367</u></u>
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**PIUTE COUNTY  
STATEMENT OF FIDUCIARY NET ASSETS  
AGENCY FUND**

**December 31, 2005**

**ASSETS:**

Cash and Investments	
Taxes Receivable	497,146
Loans Receivable	24,199
	<u>23,354</u>
TOTAL ASSETS	<u><u>544,699</u></u>

**LIABILITIES:**

Collections Payable	
	<u>495,123</u>
TOTAL LIABILITIES	<u>495,123</u>

**FIDUCIARY NET ASSETS:**

Net Assets	<u>49,576</u>
TOTAL FIDUCIARY NET ASSETS	<u>49,576</u>
TOTAL LIABILITIES AND FIDUCIARY NET ASSETS	<u><u>544,699</u></u>

**PIUTE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2005**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements of Piute County have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board.

The accompanying financial statements present the financial position of various fund types and the results of operations of the various fund types. The financial statements are presented for the year ended December 31, 2005.

**A. Reporting Entity:**

For financial reporting purposes, Piute County has included all fund types. The County has also considered all potential component units for which it is financially accountable and that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the County.

As required by generally accepted accounting principles, these financial statements present Piute County (the primary government) and its component unit. The component unit, the Special Service District #1, is included in the County's reporting entity because of the significance of its operational or financial relationship with the County. Complete financial statements of the individual component unit, which issued separate financial statements, can be obtained from the Piute County Clerk's office.

**Discrete Component Unit:**

This component unit is an entity which is legally separate from the County, but is financially accountable to the County or whose relationships with the County is such that exclusion would cause the County's financial statements to be misleading or incomplete. The County must approve its tax rates and debt. The County could also take away its operating authority and could dissolve the District. This District was organized under the State of Utah's Statute for special service districts, Section 17A-2-1300. The component unit column of the combined financial statements includes the financial data of the entity:

- \* Special Service District #1 (Governmental Fund Type) - This District was created by adoption of a resolution to establish a Special Service District by the Piute County Commissioners on February 13, 1989, for the purpose of improving roads, public health, hospital, recreation, flood control, or other areas allowed by Section 17A-2-1300 of the State of Utah code. The Special Service Districts administrative control board consists of three (3) members, each of whom was appointed the County Board of Commissioners. The District has entered into an interlocal agreement with the Towns in the County to operate and maintain a sanitary landfill operation. A copy of the report can be obtained at the Piute County Auditor's office in Junction, Utah.



**PIUTE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2005**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., statement of net assets and statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting and Basis of Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, Piute County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**PIUTE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2005**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The B Road Fund receives funding from the State Department of Transportation to be expended on eligible B Roads in the County.

The Building Authority Fund receives lease revenue payments and in turn makes revenue bond and interest payments on the new courthouse building.

Additionally the Government reports the following fund types:

The Treasurer's Tax Collection Agency Fund is used to account for taxes collected by the County Treasurer but not paid as of December 31 to the taxing entities within the County.

The Justice Court Trust Fund which collects fines and bail monies in the Justice Court and remits the monies to the appropriate agencies and parties to the court actions.

The Revolving Loan Trust Fund accounts for monies loaned to local businesses and receives principal and interest payments on those loans.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Government has elected not to follow subsequent private-sector guidance.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

**PIUTE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2005**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities and Net Assets or Equity**

**Deposits and Investments:**

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool.

Investments for the government, as well as for its component units, are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

**Capital Assets:**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

Buildings	40 Years
Equipment	3 - 15 Years

**Compensated Absences:**

The County has a policy which allows employees to accumulate vacation pay and sick pay. The County allows 16 hours of vacation pay to be carried over from year to year.

**PIUTE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2005**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Long-Term Obligations:**

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets.

In the fund financial statement, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, if any, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Fund Equity:**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designation of fund balance represent tentative management plans that are subject to change.

**E. Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**F. Budgets and Budgetary Accounting:**

Annual budgets are prepared and adopted by ordinance by total for each department, in accordance with State law, by the County Auditor and County Commissioners on or before December 15 for the following fiscal year beginning January 1. Estimated revenues and appropriations may be increased or decreased by resolution of the County Commissioners at any time during the year. A public hearing must be held prior to any proposed increase in a fund's appropriations. Budgets include activities in the General Fund. The level of the County's budgetary control (the level at which the County's expenditures cannot legally exceed appropriations) is established at the department level. Each department head is responsible for operating within the budget for their department. All annual budgets lapse at year end.

**PIUTE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2005**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Utah State law prohibits the appropriation of unreserved General Fund balance to an amount less than 5% of the General Fund revenues. The 5% reserve that cannot be budgeted is used to provide working capital until tax revenue is received, to meet emergency expenditures, and to cover unanticipated deficits. The maximum in the General Fund may not exceed 50% of the General Fund's total revenue.

Once adopted, the budget may be amended by the County Commissioners without a public hearing provided the budgeted expenditures do not exceed budgeted revenues and appropriated fund balance. A public hearing must be held if the budgeted expenditures will exceed budgeted revenues and any fund balance which is available for budgeting. With the consent of the Commissioners, department heads may reallocate unexpended appropriated balances from one expenditure account to another within that department during the budget year. Budgets for the General Fund are prepared on the modified accrual basis of accounting. Encumbrances are not used.

**G. Property Taxes:**

Property taxes are assessed and collected for the County by Piute County and remitted to the County shortly after collection. Property taxes become a lien on January 1 and are levied on the first Monday in August. Taxes are due and payable November 1, and are delinquent after November 30. All dates are in the year of levy.

**NOTE 2 - DEPOSITS AND INVESTMENTS**

The County maintains a cash and investment pool that is available for use by all funds. Each fund types portion of this pool is displayed on the combined balance sheet as "Cash and Investments".

**Deposits:**

At December 31, 2005, the carrying amount of Piute County's deposits for the primary government was \$176,207 and the bank balance was \$121,635. Of the bank balance \$100,000 was covered by federal depository insurance. At December 31, 2005, the carrying amount for the component units was \$5,934 and the bank balance was \$7,396. All of the bank balance was covered by federal depository insurance. State statutes do not require collateral to be pledged for deposits.

**PIUTE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2005**

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

**Primary Government:**

Cash and investments as of December 31, 2005, consist of the following:

	<u>Fair Value</u>
Demand Deposits	176,207
Investments - PTIF	1,011,687
Zions Escrow	<u>45,900</u>
Total Cash and Investments	<u><u>1,233,794</u></u>

Cash and investments listed above are classified in the accompanying government-wide statement of net assets as follows:

Governmental Activities - Unrestricted	690,747
Governmental Activities - Restricted	45,900
Fiduciary Fund	<u>497,147</u>
Total Cash and Cash Equivalents	<u><u>1,233,794</u></u>

**Component Unit:**

Cash and investments as of December 31, 2005, consist of the following:

	<u>Fair Value</u>
Demand Deposits	5,934
Investments - PTIF	<u>256,457</u>
Total Cash and Investments	<u><u>262,391</u></u>

Cash and investments listed above are classified in the accompanying government-wide statement of net assets as follows:

Governmental Activities - Unrestricted	256,143
Governmental Activities - Restricted	<u>6,248</u>
Total Cash and Cash Equivalents	<u><u>262,391</u></u>

**PIUTE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2005**

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

The Utah Money Management Act (UMMA) established specific requirements regarding deposits of public funds by public treasurers. UMMA requires that County funds be deposited with a qualified depository which includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements specified in UMMA Section 51, Chapter 7. UMMA provides the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and also defines capital requirements which an Institution must maintain to be eligible to accept public funds. UMMA lists the criteria for investments and specifies the assets which are eligible to be invested in, and for some investments, the amount of time to maturity.

UMMA enables the State Treasurer to operate the Public Treasurer's Investment Pool (PTIF). PTIF is managed by the Utah State Treasurer's investment staff and comes under the regulatory authority of the Utah Money Management Council. This council is comprised of a select group of financial professionals from units of local and state government and financial institutions doing business in the state. PTIF operations and portfolio composition is monitored at least semi-annually by Utah Money Management Council. PTIF is unrated by any nationally recognized statistical rating organizations.

Deposits in PTIF are not insured or otherwise guaranteed by the State of Utah. Participants share proportionally in any realized gains or losses on investments which are recorded on an amortized cost basis. The balance available for withdrawal is based on the accounting records maintained by PTIF. The fair value of the investment pool is approximately equal to the value of the pool shares.

Deposits and investments for local government are governed by the Utah Money Management Act (Utah Code Annotated, Title 51, Chapter 7, "the Act") and by rules of the Utah Management Council ("the Council"). Following are discussions of the local government's exposure to various risks related to its cash management activities.

**Custodial Credit Risk:**

Deposits - Custodial credit risk for deposits is the risk that in the event of a bank failure, the local government's deposits may not be recovered. The local government's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the local government to be in a qualified depository, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. As of December 31, 2005, \$21,635 of the local government's bank balances of \$121,635 were uninsured and uncollateralized.

**PIUTE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2005**

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

**Credit Risk:**

Credit risk is the risk that the counterparty of an investment will not fulfill its obligations. The local government's policy for limiting the credit risk of investments is to comply with the UMMA.

The local government is authorized to invest in the Utah Public Treasurer's Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains and losses, net of administration fees, of the PTIF are allocated based upon the participants' average daily balances.

For the year ended December 31, 2005, the local government has investments of \$1,011,687 with the PTIF. The entire balance had a maturity less than one year. The PTIF pool has not been rated.

**Interest Rate Risk:**

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The local government manages its exposure to declines in fair value by investments mainly in the PTIF and by adhering to the Money Management Act. The act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested.

**Concentration of Credit Risk:**

Concentration of credit risk the risk of loss attributed to the magnitude of a government's investments in a single issuer. PTIF falls under the constraints of UMMA in limiting concentrations of investments.

**NOTE 3 - BOND RESERVES**

The Piute County Municipal Building Authority is required to make an annual deposit to the Debt Service Reserve Account for the Courthouse bond. The amount of the annual payment is \$7,284. These annual deposits will continue until the balance in the Reserve Account reaches \$43,704 at which time no additional contributions are required. The balance of the account at December 31, 2005, was \$45,900.

**NOTE 4 - TRANSIENT ROOM TAX**

Generally, the activity relating to Transient Room Tax is recorded in a Special Revenue Fund. However, due to the relatively small amount of collections received by Piute County, the revenue and expenditures are recorded, and budgeted for, in the General Fund.



**PIUTE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2005**

**NOTE 5 - CAPITAL ASSETS**

Capital assets activity for the year ended December 31, 2005, was as follows:

**Capital Assets (Primary Government):**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital Assets Not Being Depreciated:				
Land	19,000	-	-	19,000
Land Under Roads	560,000	-	-	560,000
Infrastructure	<u>725,250</u>	<u>-</u>	<u>-</u>	<u>725,250</u>
 Total Capital Assets Not Being Depreciated	 <u>1,304,250</u>	 <u>-</u>	 <u>-</u>	 <u>1,304,250</u>
 Capital Assets Being Depreciated:				
Buildings	3,140,000	-	-	3,140,000
Equipment	958,200	19,000	-	977,200
Vehicles	<u>220,500</u>	<u>120,000</u>	<u>88,500</u>	<u>252,000</u>
 Total Capital Assets Being Depreciated	 <u>4,318,700</u>	 <u>139,000</u>	 <u>88,500</u>	 <u>4,369,200</u>
 Less Accumulated Depreciation For:				
Buildings	547,500	78,500	-	626,000
Equipment	686,240	58,320	-	744,560
Vehicles	<u>152,500</u>	<u>32,400</u>	<u>37,300</u>	<u>147,600</u>
 Total Accumulated Depreciation	 <u>1,386,240</u>	 <u>169,220</u>	 <u>37,300</u>	 <u>1,518,160</u>
 Total Capital Assets Being Depreciated (Net)	 <u>2,932,460</u>	 <u>(30,220)</u>	 <u>51,200</u>	 <u>2,851,040</u>
 Governmental Activities Capital Assets, Net	 <u>4,236,710</u>	 <u>(30,220)</u>	 <u>51,200</u>	 <u>4,155,290</u>

**PIUTE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2005**

**NOTE 5 - CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to functions of the Primary Government as follows:

General Government	73,750
Public Safety	27,970
Public Health	6,000
Highways and Public Improvements	<u>61,500</u>
Total Depreciation Expense	<u><u>169,220</u></u>

**Capital Assets (Component Units):**

Statement of Changes in Capital Assets (Component Units) as of December 31, 2005:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital Assets Not Being Depreciated:				
Land	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
Capital Assets Being Depreciated:				
Equipment	46,000	-	-	46,000
Vehicles	<u>13,000</u>	<u>21,793</u>	<u>-</u>	<u>34,793</u>
Total Capital Assets Being Depreciated	<u>59,000</u>	<u>21,793</u>	<u>-</u>	<u>80,793</u>
Less Accumulated Depreciation For:				
Equipment	35,650	2,300	-	37,950
Vehicles	<u>1,950</u>	<u>1,300</u>	<u>-</u>	<u>3,250</u>
Total Accumulated Depreciation	<u>37,600</u>	<u>3,600</u>	<u>-</u>	<u>41,200</u>
Total Capital Assets Being Depreciated (Net)	<u>21,400</u>	<u>(3,600)</u>	<u>-</u>	<u>39,593</u>
Governmental Activities Capital Assets, Net	<u><u>23,400</u></u>	<u><u>(3,600)</u></u>	<u><u>-</u></u>	<u><u>41,593</u></u>

**PIUTE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2005**

**NOTE 6 - MUNICIPAL BUILDING AUTHORITY**

During 1997 the Piute County Municipal Building Authority completed construction of a new courthouse facility a cost of \$2,500,000. The Municipal Building Authority has entered into lease agreements with Federal and State agencies for space in the new courthouse facility. Proceeds from these lease agreements are pledged to service the revenue bond indebtedness. The estimated revenue from these leases will cover the annual debt service payment.

**NOTE 7 - BONDS PAYABLE**

During 1996 the Piute County Municipal Building Authority issued \$850,000 of revenue bonds at 3% interest to the Community Impact Board for the purpose of financing a new courthouse building.

The following is a summary of debt service charges to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	23,000	20,730	43,730
2007	23,000	20,040	43,040
2008	24,000	19,350	43,350
2009	25,000	18,630	43,630
2010	25,000	17,880	42,880
2011-2015	140,000	77,550	217,550
2016-2020	161,000	55,230	216,230
2021-2025	187,000	29,670	216,670
2026-2030	83,000	3,750	86,750
	<u>691,000</u>	<u>262,830</u>	<u>953,830</u>

The following is a schedule of changes in bonds payable:

	Outstanding December 31, 2004	Issued	Matured	Outstanding December 31, 2005
1996 CIB Revenue Bonds Courthouse	<u>713,000</u>	<u>-</u>	<u>22,000</u>	<u>691,000</u>

**PIUTE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2005**

**NOTE 8 - CLASS "B" ROADS**

The following is a schedule of changes in Class "B" Roads:

Receipts:	
State Allotments	344,503
Interest	10,423
Reimbursements	<u>6,632</u>
Total Receipts	<u>361,558</u>
Expenditures:	
Salaries and Wages	154,083
Employee Benefits	99,405
Travel	2,013
Supplies	83,369
Utilities	5,879
Professional Services	33,224
Special Department Supplies	615
Insurance	14,500
Capital Outlay	<u>26,070</u>
Total Expenditures	<u>419,158</u>
Excess Receipts Over Expenditures	(57,600)
Balance - Beginning of Year	<u>379,525</u>
Balance - End of Year	<u><u>321,925</u></u>

**NOTE 9 - RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in the Utah Association of Counties Insurance Mutual, a self-funded risk financing pool administered by the Utah Association of Counties.

Through the Mutual, the County maintains general liability, errors and omissions, flood, earthquake, newly acquired property, builders risk, unscheduled locations, and crime. The Mutual is reinsured through commercial companies in excess of \$150,000 for property to a limit of \$50,000,000 and \$250,000 for liability to a limit of \$750,000 with a combined excess aggregate of \$1,000,000 to \$1,350,000. The Mutual does not provide coverage for all risks and hazards, however, the County has obtained coverage for these risks through other commercial carriers for employee accidental death and dismemberment, workers compensation, and surety bond coverage.

**PIUTE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2005**

**NOTE 9 - RISK MANAGEMENT (CONTINUED)**

Through the Mutual, the County maintains general liability, errors and omissions, flood, earthquake, newly acquired property, builders risk, unscheduled locations, and crime. The Mutual is reinsured through commercial companies in excess of \$150,000 for property to a limit of \$50,000,000 and \$250,000 for liability to a limit of \$750,000 with a combined excess aggregate of \$1,000,000 to \$1,350,000. The Mutual does not provide coverage for all risks and hazards, however, the County has obtained coverage for these risks through other commercial carriers for employee accidental death and dismemberment, workers compensation, and surety bond coverage.

In 2005 the County provided medical and health through a policy with Public Employees Health Plan (PEHP) of Utah. This program is administered through Utah Local Governments Trust, a self-funded risk financing pool of Utah Governmental entities, i.e., Cities, Towns and Counties. The maximum out-of-pocket expense per person per year is \$1,000 or \$2,000 per family per year.

Claims have not exceeded coverage in any of the last three calendar years.

**NOTE 10 - PENSION PLAN**

**Local Governmental - Cost Sharing**

**Plan Description:**

Piute County contributes to the Local Governmental Noncontributory Retirement System and Public Safety Other Division A Noncontributory Retirement System for employers with Social Security coverage both of which are cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement System (Systems). The Systems provide refunds, retirement benefits, annual cost of living adjustments, death benefits to plan members and beneficiaries in accordance with retirement statutes.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended. The Utah Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement systems and Plans under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that included financial statements and required supplementary information for the Systems and Plans. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

**Funding Policy:**

Piute County is required to contribute a percent of covered salary to the respective systems, 11.09% to the Noncontributory and 19.34% to the Public Safety Other Division A Noncontributory Systems. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

**PIUTE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2005**

**NOTE 10 - PENSION PLAN (CONTINUED)**

Piute County contributions to the various systems for the years ending December 31, 2005, 2004 and 2003 respectively were; for the Noncontributory System, \$29,407.67, \$29,907.64 and \$26,059.91; and for the Public Safety Other Division A Noncontributory, \$14,884.06, \$14,007.97 and \$11,949.61 respectively. The contributions were equal to the required contributions for each year.

**NOTE 11 - INDIVIDUAL COMPONENT UNIT DISCLOSURES**

Piute County has one component unit, a governmental fund type. It is described below:

**Piute County Special Service District #1:**

The District was authorized to construct, repair and maintain records and acquire and operate facilities for flood control, hospital, recreation and any other lawful public facilities. The general boundaries of the District are all of Piute County except the area in incorporated Towns.

Condensed financial statements for the component unit for the year ended December 31, 2005 follows:

**Condensed Statement of Net Assets:**

Current Assets	256,143
Noncurrent Assets	<u>47,841</u>
Total Assets	<u><u>303,984</u></u>
Current Liabilities	750
Net Assets	<u>303,234</u>
Total Liabilities and Net Assets	<u><u>303,984</u></u>

**Condensed Statement of Revenues, Expenditures and Changes in Net Assets:**

Revenues	317,303
Current Expenditures	<u>(219,647)</u>
Excess of Revenues Over (Under) Expenditures	97,656
Net Assets - Beginning of Year	<u>205,578</u>
Net Assets - End of Year	<u><u>303,234</u></u>

(This page contains no information and  
is used to assist in formatting, for easier reading)

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**REQUIRED SUPPLEMENTARY  
INFORMATION  
"UNAUDITED"**

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**PIUTE COUNTY  
CONDITION RATING OF THE COUNTY'S ROAD SYSTEM**

**For The Year Ended December 31, 2005**

**Percentage of Lane-Miles in Good or Better Condition:**

	<u>2005</u>	<u>2004</u>
Paved	60	80
Gravel	93	95
Dirt (Native)	86	85
Bridges	90	90
Overall System	86	87

**Percentage of Lane-Miles in Substandard Condition:**

	<u>2005</u>	<u>2004</u>
Paved	25	20
Gravel	4	5
Dirt (Native)	12	15
Bridges	2	2
Overall System	10	10

**Comparison of Needed-to-Actual Maintenance/Preservation - Roads and Bridges:**

	<u>2005</u>	<u>2004</u>
Paved:		
Needed	180,000	215,000
Actual	150,000	210,000
Gravel:		
Needed	210,000	190,000
Actual	180,000	180,000
Dirt (Native):		
Needed	130,000	120,000
Actual	90,000	70,000
Overall System:		
Needed	520,000	525,000
Actual	420,000	460,000
Difference	<u>(100,000)</u>	<u>(65,000)</u>

The condition of road pavement is measured using the American...(AASHTO) pavement management system, which is based on stress factors found in pavement surfaces. The AASHTO pavement management system uses a measurement that is based on a condition index ranging from zero for a failed pavement to 100 for a pavement in perfect condition. The condition index is used to classify roads in good condition (70-100), fair condition (50-69), and substandard condition (less than 50). It is the County's policy to maintain at least 80 percent of its road system at a good or better condition level. No more than 20 percent should be in substandard condition for paved and gravel roads. Condition assessments are determined every year.

This schedule only presents information for 2004 and 2005. GASB standards require reporting the last three complete condition assessments and needed-to-actual information for 5 years. However, the County implemented these new standards in 2004, and did not collect this information for the prior years. The County will continue to collect and retain this information so that over a period of five years it will be able to report the required information.

The condition of the County's bridges is determined using its Bridge Management and Inspection Program (BMIP). The bridge condition rating, which is a weighted average of an assessment of the ability of individual components to function structurally, uses a numerical condition scale ranging from 1.0 (impaired or load restricted) to 7.0 (new). It is the County's policy to keep the number and square footage of deck area of bridges with a condition rating of 1.0 to 1.9 below 1 percent. All bridges are inspected every two years.

**PIUTE COUNTY  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

**For The Year Ended December 31, 2005**

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance With Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, January 1	105,462	105,462	105,462	-
Resources (Inflows):				
Taxes:				
Current Property Taxes	168,940	223,940	206,316	(17,624)
Delinquent Prior Years Taxes	11,000	11,000	7,184	(3,816)
Assessing and Collecting Taxes	57,000	57,000	75,480	18,480
Fee-In-Lieu of Taxes	25,000	-	30,397	30,397
County Sales Tax	75,000	75,000	76,958	1,958
Sales and Use Tax	17,500	17,500	20,422	2,922
Transient Room Tax	5,000	5,000	11,630	6,630
Total Taxes	359,440	389,440	428,387	38,947
Licenses and Permits	5,160	5,160	3,534	(1,626)
Intergovernmental Revenue:				
Federal Monies	396,000	396,000	154,515	(241,485)
State Shared Revenue	78,200	78,200	63,708	(14,492)
Federal Payments in Lieu of Taxes	113,000	113,000	123,659	10,659
State Payments in Lieu of Taxes	2,040	2,040	2,160	120
State Liquor Fund	2,300	2,300	1,390	(910)
Local Units	15,000	15,000	20,000	5,000
Total Intergovernmental Revenue	606,540	606,540	365,432	(241,108)
Charges for Services:				
Clerk-Auditor Fees	2,000	2,000	1,725	(275)
Recorder's Fees	10,000	10,000	14,995	4,995
Sheriff Fees and Contracts	20,000	20,000	13,945	(6,055)
Emergency Management	6,000	6,000	2,500	(3,500)
Bailiff	400	400	563	163
District Court	25,000	25,000	23,897	(1,103)
Motor Vehicle	6,000	6,000	7,289	1,289
Economic Development	43,000	43,000	35,457	(7,543)
Total Charges for Services	112,400	112,400	100,371	(12,029)

**PIUTE COUNTY  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

**For The Year Ended December 31, 2005**

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Resources (Inflows) Continued:</b>				
Fines and Forfeitures	46,000	46,000	63,985	17,985
Miscellaneous Revenue:				
Sale of Property	35,000	35,000	91,301	56,301
Interest	4,000	4,000	7,030	3,030
Refunds and Miscellaneous	40,000	40,000	43,990	3,990
Total Miscellaneous Revenue	79,000	79,000	142,321	63,321
Use of Surplus	25,000	25,000	-	(25,000)
Amounts Available for Appropriation	1,339,002	1,369,002	1,209,492	(159,510)
<b>Charges to Appropriations (Outflows):</b>				
General Government:				
Commission	45,150	47,820	47,492	328
Judicial Court	21,450	21,465	19,754	1,711
District Court	20,350	20,300	19,294	1,006
Clerk-Auditor	41,900	40,630	38,657	1,973
Recorder-Treasurer	72,150	70,975	67,608	3,367
Attorney	39,580	39,280	37,997	1,283
Assessor	66,100	67,750	67,025	725
Public Defender	7,000	6,000	5,995	5
Non-Departmental	99,950	121,680	93,238	28,442
General Government Buildings	39,100	42,050	40,344	1,706
Total General Government	452,730	477,950	437,404	40,546
Public Safety:				
Sheriff	187,000	318,600	315,642	2,958
Liquor Law	4,500	4,500	2,542	1,958
Drug Enforcement	1,800	1,800	-	1,800
Jail Corrections	8,500	5,500	1,624	3,876
Fire Combat	7,100	7,100	2,582	4,518
Homeland Security	350,000	230,000	-	230,000
Emergency Management	14,495	14,775	14,592	183
Total Public Safety	573,395	582,275	336,982	245,293

**PIUTE COUNTY  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

**For The Year Ended December 31, 2005**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u> <u>(See Note A)</u>	<u>Variance With</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Charges to Appropriations (Outflows) Continued:				
Public Health:				
Health Services	23,100	23,100	20,841	2,259
Ambulance	28,400	33,100	32,092	1,008
Public Welfare	7,775	7,775	6,034	1,741
Total Public Health	59,275	63,975	58,967	5,008
Highways and Public Improvements:				
County Roads	8,500	8,500	3,681	4,819
GIS/RS2477	42,800	23,800	10,919	12,881
Total Highways and Public Improvements	51,300	32,300	14,600	17,700
Conservation and Economic Development:				
Recreation and Television	28,100	28,350	16,902	11,448
Agriculture and Extension Service	22,000	28,000	27,431	569
USU Education	14,550	12,850	12,342	508
Exhibits	4,000	4,200	4,200	-
Economic Development	28,190	33,640	30,791	2,849
Total Conservation and Economic Development	96,840	107,040	91,666	15,374
Total Charges to Appropriations	1,233,540	1,263,540	939,619	323,921
Budgetary Fund Balance - December 31	105,462	105,462	269,873	164,411

**PIUTE COUNTY  
BUDGETARY COMPARISON SCHEDULE  
CLASS B ROAD**

**For The Year Ended December 31, 2005**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u> <u>(See Note A)</u>	<u>Variance With</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, January 1	<u>379,525</u>	<u>379,525</u>	<u>379,525</u>	<u>-</u>
Resources (Inflows):				
Intergovernmental	375,000	375,000	344,503	(30,497)
Interest	3,000	3,000	10,423	7,423
Miscellaneous	10,000	10,000	6,633	(3,367)
Use of Surplus	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>
Amounts Available for Appropriation	<u>967,525</u>	<u>967,525</u>	<u>741,084</u>	<u>(226,441)</u>
Charges to Appropriations (Outflows):				
County Roads	<u>588,000</u>	<u>588,000</u>	<u>419,159</u>	<u>168,841</u>
Total Charges to Appropriations	<u>588,000</u>	<u>588,000</u>	<u>419,159</u>	<u>168,841</u>
Budgetary Fund Balance - December 31	<u><u>379,525</u></u>	<u><u>379,525</u></u>	<u><u>321,925</u></u>	<u><u>(57,600)</u></u>

**PIUTE COUNTY  
BUDGETARY COMPARISON SCHEDULE  
MUNICIPAL BUILDING AUTHORITY**

**For The Year Ended December 31, 2005**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance With</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>(See Note A)</u>	<u>Positive</u> <u>(Negative)</u>
Budgetary Fund Balance, January 1	<u>98,954</u>	<u>98,954</u>	<u>98,954</u>	<u>-</u>
Resources (Inflows):				
Intergovernmental	40,000	40,000	60,000	20,000
Interest	500	500	1,217	717
Miscellaneous	<u>80,000</u>	<u>80,000</u>	<u>57,382</u>	<u>(22,618)</u>
Amounts Available for Appropriation	<u>219,454</u>	<u>219,454</u>	<u>217,553</u>	<u>(1,901)</u>
Charges to Appropriations (Outflows):				
Administrative	75,500	75,500	35,205	40,295
Debt Service:				
Principal	22,000	22,000	22,000	-
Interest	<u>23,000</u>	<u>23,000</u>	<u>22,518</u>	<u>482</u>
Total Charges to Appropriations	<u>120,500</u>	<u>120,500</u>	<u>79,723</u>	<u>40,777</u>
Budgetary Fund Balance - December 31	<u><u>98,954</u></u>	<u><u>98,954</u></u>	<u><u>137,830</u></u>	<u><u>38,876</u></u>

**PIUTE COUNTY  
NOTE A  
BUDGETARY COMPARISON SCHEDULE  
BUDGET-TO-GAAP RECONCILIATION**

**For The Year Ended December 31, 2005**

	<u>General Fund</u>	<u>Class B Road</u>	<u>Municipal Building Authority</u>
<b>Sources/Inflows and Resources:</b>			
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedules.	1,209,492	741,084	217,553
<b>Differences - Budget to GAAP:</b>			
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	<u>(105,462)</u>	<u>(379,525)</u>	<u>(98,954)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u><u>1,104,030</u></u>	<u><u>361,559</u></u>	<u><u>118,599</u></u>
<b>Uses/Outflows of Resources:</b>			
Actual amounts (budgetary Basis "total charges to appropriations" from the budgetary comparison schedules.	939,619	419,159	79,723
<b>Differences - Budget to GAAP:</b>			
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting pruposes.	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u><u>939,619</u></u>	<u><u>419,159</u></u>	<u><u>79,723</u></u>

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# **COMBINING FINANCIAL STATEMENTS AND SCHEDULES**

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**PIUTE COUNTY**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**

**For The Year Ended December 31, 2005**

	Balance December 31, 2004	Additions	Deletions	Balance December 31, 2005
<b>COUNTY J. P.'S TRUST FUND</b>				
<b>ASSETS</b>				
Cash	47,785	115,439	159,727	3,497
<b>LIABILITIES</b>				
Collections Payable	47,785	115,439	159,727	3,497
<b>TREASURER'S TRUST FUND</b>				
<b>ASSETS</b>				
Cash	446,898	775,860	757,313	465,445
Taxes Receivable	22,172	24,199	22,172	24,199
<b>TOTAL ASSETS</b>	<b>469,070</b>	<b>800,059</b>	<b>779,485</b>	<b>489,644</b>
<b>LIABILITIES</b>				
Due to Taxing Units	469,070	800,059	779,485	489,644
<b>REVOLVING LOAN FUND</b>				
<b>ASSETS</b>				
Cash	92	26,130	-	26,222
Loans Receivable	50,847	-	27,493	23,354
<b>TOTAL ASSETS</b>	<b>50,939</b>	<b>26,130</b>	<b>27,493</b>	<b>49,576</b>
<b>FUND BALANCE</b>				
Fund Balance	50,939	26,130	27,493	49,576
<b>BULLION CANYON</b>				
<b>ASSETS</b>				
Cash	1,952	30	-	1,982
<b>LIABILITIES</b>				
Collections Payable	1,952	30	-	1,982

(Continued)

**PIUTE COUNTY**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**

For The Year Ended December 31, 2005

	Balance December 31, 2004	Additions	Deletions	Balance December 31, 2005
<b><u>TOTALS - ALL AGENCY FUNDS</u></b>				
<b>ASSETS</b>				
Cash	496,727	917,459	917,040	497,146
Taxes Receivable	22,172	24,199	22,172	24,199
Loans Receivable	50,847	-	27,493	23,354
	<u>569,746</u>	<u>941,658</u>	<u>966,705</u>	<u>544,699</u>
<b>TOTAL ASSETS</b>	<u>569,746</u>	<u>941,658</u>	<u>966,705</u>	<u>544,699</u>
<b>LIABILITIES AND FUND BALANCE</b>				
Due to Taxing Units	469,070	800,059	779,485	489,644
Collections Payable	49,737	115,469	159,727	5,479
Fund Balance	50,939	26,130	27,493	49,576
	<u>569,746</u>	<u>941,658</u>	<u>966,705</u>	<u>544,699</u>
<b>TOTAL LIABILITIES AND     FUND BALANCE</b>	<u>569,746</u>	<u>941,658</u>	<u>966,705</u>	<u>544,699</u>

**PIUTE COUNTY  
TREASURER'S TRUST FUND  
BALANCE SHEET**

**December 31, 2005**

**ASSETS:**

Cash Invested	465,445
Taxes Receivable	<u>24,199</u>
<b>TOTAL ASSETS</b>	<b><u><u>489,644</u></u></b>

**LIABILITIES:**

Collections Payable	8,530
Due to Taxing Units	<u>481,114</u>
<b>TOTAL LIABILITIES</b>	<b><u><u>489,644</u></u></b>

**PIUTE COUNTY  
COUNTY TREASURER  
CURRENT YEARS TAXABLE VALUES**

December 31, 2005

TAXING UNITS		Real Property and Centrally Assessed Values	Real and Centrally Assessed Tax Rates	Taxes Charged	Personal Property Values	Personal Property Tax Rates	Personal Property Taxes Charged	Total Taxes Charged
County Funds:								
General		55,294,166	.003700	204,588	1,406,564	.002057	2,893	207,482
State Assessing/Collecting		55,294,166	.000173	9,566	1,406,564	.000180	253	9,819
Local Assessing/Collecting		55,294,166	.000300	16,588	1,406,564	.000195	274	16,863
Total County Funds				230,743			3,421	234,163
Piute County School District		55,294,166	.005621	310,809	1,406,564	.005804	8,164	318,972
Cities and Towns:								
Circleville		13,205,332	.000650	8,583	151,386	.000655	99	8,683
Junction		6,098,003	.002502	15,257	67,608	.002503	169	15,426
Kingston		3,085,442	.001635	5,045	6,750	.001658	11	5,056
Marysvale		14,490,587	.000725	10,506	172,664	.000728	126	10,631
Total Cities and Towns				39,391			405	39,796
Districts:								
Central Utah Water District		55,294,166	.000400	22,118	1,406,564	.000353	497	22,614
Upper Sevier Water District		55,294,166	.000045	2,488	1,406,564	.000045	63	2,552
Total Districts				24,606			560	25,166
GRAND TOTALS				605,548			12,550	618,098

**PIUTE COUNTY  
COUNTY TREASURER  
STATEMENT OF TAXES CHARGED, COLLECTED AND DISBURSED  
CURRENT AND PRIOR YEARS**

**December 31, 2005**

	Current Years Taxes			Total Treasurer's Relief
	Taxes Charged	Unpaid Taxes	Abatements	
<b>TAXING UNITS</b>				
County Funds:				
General	207,482	8,840	1,671	10,511
State Assessing and Collecting	9,819	397	75	472
County Assessing and Collecting	16,863	696	132	828
Total County Funds	234,164	9,933	1,878	11,811
Central Utah Water Conservancy District	22,614	952	180	1,132
Upper Sevier Water Conservancy District	2,552	107	20	127
Piute County School District	318,972	13,379	2,530	15,909
Towns:				
Circleville	8,683	212	12	224
Junction	15,426	733	527	1,260
Kingston	5,056	31	53	84
Marysville	10,631	497	130	627
Total Towns	39,796	1,473	722	2,195
<b>GRAND TOTALS</b>	<b>618,098</b>	<b>25,844</b>	<b>5,330</b>	<b>31,174</b>

Current Years Taxes		Other Collections			
Taxes Collected	Rate	Fee In Lieu	Other Collections	Delinquencies	
				Tax	Penalty/ Interest
196,971	94.93%	30,397	330	5,102	2,082
9,347	95.19%	1,366	15	229	94
16,035	95.09%	2,391	26	402	163
<u>222,353</u>	<u>94.96%</u>	<u>34,154</u>	<u>371</u>	<u>5,733</u>	<u>2,339</u>
 21,482	 94.99%	 4,957	 54	 835	 53
 2,425	 95.02%	 632	 7	 109	 7
<u>303,063</u>	<u>95.01%</u>	<u>81,510</u>	<u>885</u>	<u>13,794</u>	<u>875</u>
 8,459	 97.42%	 3,592	 -	 74	 7
14,166	91.83%	3,264	-	36	4
4,972	98.34%	2,341	-	-	-
10,004	94.10%	3,003	-	161	10
<u>37,601</u>	<u>94.48%</u>	<u>12,200</u>	<u>-</u>	<u>271</u>	<u>21</u>
<u>586,924</u>	<u>94.96%</u>	<u>133,453</u>	<u>1,317</u>	<u>20,742</u>	<u>3,295</u>

**PIUTE COUNTY  
TAX COLLECTION TRUST FUND  
CASH RECEIPTS AND DISBURSEMENTS**

**For The Year Ended December 31, 2005**

	Treasurer's Balance December 31, 2004	Tax Collection Receipts	Current Taxes Apportioned	Delinquent Taxes and Interest Apportioned
<b>Tax Collection Accounts:</b>				
Current Years Taxes	-	586,924	(586,924)	-
Redemption of Prior Years Taxes	-	24,037	-	(24,037)
Other Taxes	-	1,317	-	-
Motor Carrier	-	23,625	-	-
Fee-In-Lieu	-	133,453	-	-
Refunds	1,692	1,947	-	-
Interest	3,758	6,583	-	-
	<u>5,450</u>	<u>777,886</u>	<u>(586,924)</u>	<u>(24,037)</u>
<b>Total</b>	<u>5,450</u>	<u>777,886</u>	<u>(586,924)</u>	<u>(24,037)</u>
<b>Taxing Units:</b>				
County Funds:				
General	-	-	196,971	7,184
State Assessing and Collecting	-	-	9,347	323
Local Assessing and Collecting	-	-	16,035	565
Central Utah Water				
Conservancy District	23,287	-	21,482	888
Upper Sevier Water				
Conservancy District	2,989	-	2,425	116
Piute School District	382,986	-	303,063	14,669
Towns:				
Circleville	13,011	-	8,459	81
Junction	19,152	-	14,166	40
Kingston	8,810	-	4,972	-
Marysvale	13,386	-	10,004	171
	<u>463,621</u>	<u>-</u>	<u>586,924</u>	<u>24,037</u>
<b>Total Due Taxing Units</b>	<u>463,621</u>	<u>-</u>	<u>586,924</u>	<u>24,037</u>
<b>GRAND TOTALS</b>	<u>469,071</u>	<u>777,886</u>	<u>-</u>	<u>-</u>

<u>Other Taxes Apportioned</u>	<u>Motor Carrier Apportioned</u>	<u>Fee-In-Lieu Apportioned</u>	<u>Total</u>	<u>Disbursements</u>	<u>Treasurer's Balance December 31, 2005</u>
-	-	-	-	-	-
-	-	-	-	-	-
(1,317)	-	-	-	-	-
-	(23,625)	-	-	-	-
-	-	(133,453)	-	-	-
-	-	-	3,639	1,692	1,947
-	-	-	10,341	5,848	4,493
<u>(1,317)</u>	<u>(23,625)</u>	<u>(133,453)</u>	<u>13,980</u>	<u>7,540</u>	<u>6,440</u>
330	9,015	30,397	243,897	243,897	-
15	-	1,366	11,051	11,051	-
26	-	2,391	19,017	19,017	-
54	865	4,957	51,533	23,287	28,246
7	100	632	6,269	2,989	3,280
885	12,135	81,510	795,248	393,816	401,432
-	345	3,592	25,488	13,311	12,177
-	565	3,264	37,187	19,684	17,503
-	195	2,341	16,318	8,945	7,373
-	405	3,003	26,969	13,776	13,193
<u>1,317</u>	<u>23,625</u>	<u>133,453</u>	<u>1,232,977</u>	<u>749,773</u>	<u>483,204</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,246,957</u>	<u>757,313</u>	<u>489,644</u>



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is used to assist in formatting, for easier reading)

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## **COMPLIANCE SECTION**

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# *Kimball & Roberts*

*Certified Public Accountants*

*A Professional Corporation*

*Box 663*

*Richfield, Utah 84701*

*Phone 896-6488*

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Board of County Commissioners  
Piute County  
Junction, Utah 84740

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Piute County as and for the year ended December 31, 2005, which collectively comprise Piute County's basic financial statements and have issued our report thereon dated June 6, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Piute County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Piute County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain matters that we reported to the management of Piute County in a separate letter dated June 6, 2006.

The Honorable Board of County Commissioners  
Piute County  
Page -2-

This report is intended solely for the information and use of the audit committee, management, County Commission and is not intended to be and should not be used by anyone other than these specified parties.

  
KIMBALL & ROBERTS, P. C.  
Certified Public Accountants

June 6, 2006  
Richfield, Utah

# *Kimball & Roberts*

*Certified Public Accountants*

*A Professional Corporation*

*Box 663*

*Richfield, Utah 84701*

*Phone 896-6488*

## AUDITOR'S REPORT ON STATE LEGAL COMPLIANCE

The Honorable Board of County Commissioners  
Piute County  
Junction, Utah 84740

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of Piute County, for the year ended December 31, 2005, and have issued our report thereon dated June 6, 2006. As part of our audit, we have audited Piute County's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah Legal Compliance Audit Guide for the year ended December 31, 2005. The County received the following major State assistance programs from the State of Utah:

B Road Funds (Department of Transportation)  
Liquor Law Enforcement (State Tax Commission)

The County also received the following nonmajor grants that are not required to be audited for specific compliance requirements: (However, these programs were subject to testwork as part of the audit of Piute County's financial statements.)

GIS Grant (Department of Administrative Services, Div. of Info. Technology Services)  
EMS Grant (Department of Public Safety)  
Bookmobile Grant (Department of Community and Economic Development)

Our audit also included testwork on the County's compliance with those general compliance requirements identified in the State of Utah Legal Compliance Audit Guide, including:

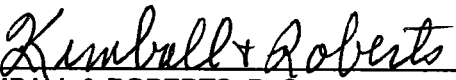
Public Debt	Other General Issues
Cash Management	Uniform Building Code Standards
Purchasing Requirements	Statement of Taxes Charged
Budgetary Compliance	Collected & Disbursed
Truth in Taxation & Property Tax Limitations	Assessing and Collecting of
Liquor Law Enforcement	Property Taxes
Justice Court	Transient Room Tax
B & C Road Funds	

The management of Piute County is responsible for the County's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in a separate management letter. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, Piute County, complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to each of its major State assistance programs for the year ended December 31, 2005.

  
KIMBALL & ROBERTS, P. C.  
Certified Public Accountants

June 6, 2006  
Richfield, Utah

**PIUTE COUNTY  
MANAGEMENT LETTER  
DECEMBER 31, 2005**

# ***Kimball & Roberts***

*Certified Public Accountants*

*A Professional Corporation*

*Box 663*

*Richfield, Utah 84701*

*Phone 896-6488*

June 6, 2006

The Honorable Board of County Commissioners  
Piute County  
Junction, Utah 84740

During our audit of the funds of Piute County for the year ended December 31, 2005, we noted a certain area needing corrective action in order for the County to be in compliance with state laws and regulations. We also found certain circumstances that, if improved, would strengthen the County's accounting system and control over its assets. These items are discussed below for your consideration.

## **COMPLIANCE:**

### **Cash Management**

Utah Code 51-4-2(2) requires that all public funds be deposited daily, whenever practicable, but no later than three days after receipt.

#### **Finding:**

During our tests of cash receipts, in the Sheriff's office and the Treasurer's office, we noted that the receipts were not always deposited within three days of receipt. We also noted that Sheriff's fees were held for several months before being deposited.

#### **Recommendation:**

We recommend that the County set policies to provide for the deposit of public funds daily, or within three days of receipt, as required by State Code.

#### **Response:**

The above finding was discussed with Piute County officials and they concur with the recommendation.

### **Justice Court Monthly C-500 Reports to the State Treasurer**

State law requires the County to submit surcharges collected during the month to the State Treasurer by the 10th of the month following collection.

#### **Finding:**

We reviewed the C-500 reports for the year where surcharges are remitted to the State Treasurer and noted that nine of the twelve reports were dated after the 10th of the month following collection.



**Recommendation:**

We recommend that the C-500 reports, with the related surcharges, be remitted to the State Treasurer before the 10th of the month following collection.

**Response:**

The above finding was discussed with Piute County officials and they concur with the recommendation.

**INTERNAL CONTROLS:**

**Payroll**

**Finding:**

During our tests of payroll we noted that the time cards are not being approved, signed or initialed and dated by the department supervisors and were not always signed by the employees.

**Recommendation:**

We recommend that the employees sign and date their time cards. We also recommend that the department supervisors review, sign and date the time cards of the employees in their department.

**Response:**

The above finding was discussed with Piute County officials and they concur with the recommendation.

**Class B Road Funds**

Utah Code, Section 17-16-18 states that the salaries of County Officers are to be paid monthly from the General Fund. The General Fund should not be reimbursed from the Class B Road Fund for the cost of County Officers for the current or previous years.

**Finding:**

We noted during our test of the Class B Road Fund that part of a Commissioner's and other County Officers salaries are being paid with Class B Road Funds.

**Recommendation:**

We recommend that the Commissioner's salary be paid from the General Fund and that the other officers, which are charged to the Class B Road Fund, account for actual time spent working on Class B Road Fund expenditures.


The Honorable Board of County Commissioners  
Piute County  
Page -3-

**Response:**

The above finding was discussed with Piute County officials and they concur with the recommendation.

We would like to take this opportunity to thank Piute County's personnel for the cooperation and assistance given to us during the course of our examination.

Respectfully submitted,

  
KIMBALL & ROBERTS  
Certified Public Accountants

DKK/vl